



DEPARTMENT OF THE NAVY
U.S. FLEET AND INDUSTRIAL SUPPLY CENTER
(YOKOSUKA, JAPAN)
PSC 473 BOX 11
FPO AP 96349-1500

Canc: Nov 01

FISCYNOTE 4200
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FISC YOKOSUKA NOTICE 4200

25 APR 2001

Subj: ADVANCE PLANNING FOR PURCHASE/CONTRACT REQUISITIONS CITING EXPIRING FUNDS

Ref: (a) Federal Acquisition Regulation (FAR), Part 7, Subpart 7.1

Encl: (1) Recommended Dates for Receipt of Purchase Requests Requiring Award/Completion in Fiscal Year 2001
(2) Justification for Sole Source and/or Urgent Purchase (Over \$100,000) (Non-Simplified Acquisition Procedures)

1. Purpose. Reference (a) mandates acquisition planning to ensure the Government meets its needs in the most effective, economical and timely manner. To that end, this notice establishes recommended dates for receipt of Purchase Requests (PRs) which cite expiring funds and/or need local acquisition completed in FY 2001, including those requiring commencement on 1 October 2001.

2. Information

a. To ensure effective procurement of requirements citing expiring funds, adequate lead time must be available to allow for:

- (1) Screening for mandatory sources and adequacy of purchase request;
 - (2) Conducting market research for PRs exceeding \$100,000;
 - (3) FAR mandated advertising and/or publicizing of Government acquisition requirements;
 - (4) Preparation/issuance of the Request for Quotation (RFQ) or Request for Proposal (RFP) and receipt of the vendors quotes and/or offers;
 - (5) Sufficient time for negotiation and execution of orders/contracts;
- and
- (6) Adequate manufacturing lead time (if applicable).

NOTE: Please keep in mind that "EXPIRING FUNDS" cannot be used to circumvent or waive the FAR mandated advertising/publicizing of Government requirements. The need to obligate annual appropriations is insufficient to justify procurement of supplies and/or services on an URGENT basis.

b. When adequate lead time is not available to accomplish all functions listed above, curtailment of competition, gaps in contractual coverage, delays in delivery, uneconomical prices, and/or inability to acquire, may result. These unacceptable conditions can be avoided through proper advance planning.

c. Initially providing clear and complete specifications in sufficient detail to support a competitive solicitation will ensure no additional time is required to resolve/clarify customer needs.

d. The recommended dates established in enclosure (1) do not apply to properly justified unusual and compelling urgent (FAR 6.302-2) requirements. They will be accepted continuously and will be processed as rapidly as possible.

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NOTE: "FAR 6.302-2(b) Unusual and Compelling Urgency

This authority applies in those situations where-

- 1) An unusual and compelling urgency precludes full and open competition; and
- 2) Delay in award of a contract would result in serious injury, financial or other, to the Government."

(1) For any Non-Simplified Acquisition Procedures/Non-Commercial requirement exceeding \$100,000, it is essential that a Justification for Urgent Purchase (enclosure (2)), with all required signatures, be included with the requisition. This statement must reflect the impact which would result should urgent delivery requirements not be satisfied.

e. (For PRs transmitted to FISC Puget Sound). Code 105 or Code 182 should ensure the "fund expiration date" block in the accounting data line is filled-in (generic input only) or that "EXPIRING FUNDS" is annotated in the "more description" section of the document to ensure proper handling.

3. Action

a. Customers must ensure all requisitions citing expiring FY 2001 funds are clearly identified and submitted in time to arrive prior to the recommended dates indicated. Average acquisition processing times have been included in enclosure (1). Customers are advised to use these times as a general guideline only, since circumstances affecting individual contract actions vary causing Procurement Administrative Lead Time (PALT) averages to differ greatly.

b. Every effort will be made to obligate funds by the 30 September 2001 deadline. In the event that we will not be able to award an order/contract with an expiring funds appropriation, customers will be advised as early as possible to permit other use of the funds. All customer activities are encouraged to contact us as early as practicable in the planning process for any support/information that may be required.

c. To help support advance planning, PRs "without funding" may be submitted for processing. These types of PRs should only be submitted if funds are not presently available but there is a high likelihood that funds will eventually be provided. Customers will be advised when contract award is imminent so that funding can be provided at that time. The requisition must be clearly marked as an EXPIRING FUNDS requirement and that funding will be provided prior to award.


D. R. SMOAK

Distribution:
FISCYINST 5215.4U
List I, A & B
List II, A
Code 105 (100 copies)

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RECOMMENDED DATES FOR RECEIPT OF PURCHASE REQUESTS
REQUIRING COMPLETION BY 30 SEPTEMBER 2001

(Contracting Action to be performed by FISC Puget Sound)

General Type Supplies and/or Service

| <u>Estimated Dollar Amount</u> | <u>Type of Action(*1)</u> | <u>AVG PALT (*2)</u> | <u>Recommended Date(*3)</u> |
|--------------------------------|---------------------------|----------------------|-----------------------------|
| \$2,500 - 25,000 | Purchase Order | 15 | 30 Aug 2001 |
| 25,001 - 100,000 | Purchase Order | 30 | 31 Jul 2001 |
| 100,001 - 1,000,000 | Contract (Non SAP) | 90 | 01 Jun 2001 |
| =/>\$1M | Contract (Non SAP) | 180 | 02 Mar 2001 |
| Any \$ amount | Exercise of Option | 120 (*4) | 01 Jun 2001 |
| \$100,000 - 500,000 | Delivery Order | 60 | 01 Jun 2001 |
| | Contract | | |

GSA

| <u>Estimated Dollar Amount</u> | <u>Type of Action</u> | <u>AVG PALT (*2)</u> | <u>Recommended Date (*3)</u> |
|--------------------------------|-----------------------|----------------------|------------------------------|
| Any \$ Amount | Purchase Order | 15 | 30 Aug 2001 |

Complex Contracts

| <u>Estimated Dollar Amount</u> | <u>Type of Action (*1)</u> | <u>AVG PLAT (*2)</u> | <u>Recommended Date (*3)</u> |
|--------------------------------|----------------------------------|----------------------|------------------------------|
| Any \$ Amount | CPFF, Time and Material Contract | 240 | 01 Feb 2001 |

Commercial Contracts (If SAP can be used) (*6)

| <u>Estimated Dollar Amount</u> | <u>Type of Action (*1)</u> | <u>AVG PLAT (*2)</u> | <u>Recommended Date (*3)</u> |
|--------------------------------|----------------------------|----------------------|------------------------------|
| \$2,500 - 25,000 | Purchase Order | 15 | 30 Aug 2001 |
| 25,001 - 100,000 | Purchase Order | 30 | 31 Jul 2001 |
| 100,001 - 5,000,000(*5) | Purchase Order | 60 | 01 Aug 2001 |

NOTES:

1. The term "contract" involves sealed bid procedures and competitive and sole-source negotiations used in processing all types of contracts. As used herein, the term "contract" also includes modifications to add scope or level of effort to existing contracts or to extend the period of performance of existing contracts.

2. Simplified Acquisition Procedures (SAP) are the FAR Part 13 buying processes used for requirements with estimated dollar amounts under the Simplified Acquisition Threshold (SAT) of <\$100K. These procedures result in shortened acquisition timeframes. They allow shorter advertising time frames (>\$25K), less formal justifications for excepting competition and very simplified pricing justifications. Far Part 13.5 also allows use of SAP for purchases of "commercial items" up to \$5M if the contracting officer expects, based upon market research, offers will include only commercial items.

3. Average PALT is the estimated processing time required to award a purchase order, contract or delivery order. The PALT is calculated from the date of receipt of a "complete" request for acquisition.

4. Recommended date for receipt of requisitions citing FY 2001 O&M,N funds or other appropriations expiring 30 Sep 2001 (NAVCOMPT Manual 022201. (9)), or for contracts requiring commencement on 1 Oct 2001.

5. Time required to provide adequate notification to contractor, obtain updated wage determination and process modification.

6. Cannot be used for Delivery Order Type Contracts.

Encl (1)

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RECOMMENDED DATES FOR RECEIPT OF PURCHASE REQUESTS
REQUIRING COMPLETION BY 30 SEPTEMBER 2001

(Contracting Action to be performed by FISC Yokosuka)

ESTIMATED DOLLAR AMOUNT TYPE OF ACTION (*1) AVG PALT (*2) RECOMMENDED DATE (*3)

[Non-commercial supplies/services from local sources]

| | | | |
|-------------------|--------------------|-----|-------------|
| Up to - 100,000 | Contract (Non SAP) | 20 | 3 Sep 2001 |
| 100,001 - 500,000 | Contract (Non SAP) | 80 | 10 Jul 2001 |
| >500,001 | Contract (Non SAP) | 120 | 01 Jun 2001 |

[Commercial supplies/services including IT from local sources]

| | | | |
|---------------------|----------------------|----|------------------|
| Up to - 25,000 | Purchase Order (SAP) | 10 | 12 Sep 2001 (*4) |
| 25,001 - 100,000 | Purchase Order (SAP) | 20 | 3 Sep 2001 |
| 100,001 - 5,000,000 | Purchase Order (SAP) | 30 | 20 Aug 2001 |

[Supplies/services excluding IT from CONUS sources]

| | | | |
|---------------------------------|----------------|----|------------------|
| Up to 25,000 | Purchase Order | 10 | 12 Sep 2001 (*4) |
| Up to the Maximum Order | Delivery Order | 15 | 10 Sep 2001 |
| Limitation of IDTC/GSA Contract | | | |

[IT requirements from CONUS sources]

| | | | |
|--|---------------------|----|------------------|
| Up to 25,000 | Purchase Order | 10 | 12 Sep 2001 (*4) |
| Up to the Maximum Order | Delivery Order/Call | 15 | 10 Sep 2001 |
| Limitation of Umbrella | | | (*5) |
| Type IDTC/GSA Contract/ITEC Direct BPA | | | |

NOTE

(*1, *2, & *3) See the explanatory notes in the previous page.

(*4) We anticipate that a longer procurement lead time is required to process fiscal year end requirements. We highly recommend that requirements be submitted to FISC Yokosuka (For Yokosuka area: Code 200 via Code 105; For Sasebo area: Code 183 via Code 182; For Okinawa area: Code 193) by this date.

(*5) This date for umbrella type contract delivery orders may be changed subject to NCTAMS LANT's due date to be announced later.

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JUSTIFICATION FOR SOLE SOURCE AND/OR URGENT PURCHASE (OVER \$100,000)

COMPLETE THIS FORM IN ITS ENTIRETY, EVEN IF THE RESPONSE IS "NOT APPLICABLE".

1. REQUIRING ACTIVITY.

2. DESCRIPTION OF CONTRACT ACTION.

- a. State if procurement is:
- (1) Urgent Competitive (not sole source)
 - (2) Non-Urgent Sole Source
 - (3) Urgent Sole Source

Note: Dealer competition (different dealers offering the product of the *same manufacturer*) is sole source.

- b. For urgent, non-sole source requirements, provide the name, address, and phone/fax numbers of all known providers of the required product, preferably a minimum of three manufacturers. (Although the contracting office maintains a list of sources, it is best to provide sources you know can provide what is needed so that valuable time is not wasted in soliciting and evaluating offers from companies who cannot meet your needs.)
- c. For sole source requests, provide the contractor name, point of contact, address and phone/fax numbers. If a sole source manufacturer distributes via dealers, provide dealer information here.

3. DESCRIPTION OF SUPPLIES/SERVICES, ESTIMATED DOLLAR VALUE AND DELIVERY REQUIREMENTS. Give a short description of the item or service required, the estimated cost, and required delivery date. (Sole source and urgency information is not needed here).

4. EXPLANATION OF URGENT AND/OR SOLE SOURCE CIRCUMSTANCES.

- Lack of planning does not support urgency.
- Expiring funds/late release of funds does not support urgency
- Only the government's immediate minimum quantity requirement can be purchased under urgency.

- (1) Provide a time line from when the need was identified. If a late identified item, explain why.
- (2) Identify manufacturing lead time.
- (3) Explain why the item is needed and what will happen if it's not received by the Required Delivery Date (RDD). Describe impact on overhaul/availability schedules, impact to base support, personnel safety issues, potential environmental damages, etc., and include the dollar value associated with late delivery.

- (1) Explain the unique features/function of the item and why only one manufacturer can provide it. Discuss why a similar product from another manufacturer will not work.
- (2) If the item can only be obtained from the OEM (Original Equipment Manufacturer), discuss the proprietary (i.e. owned by the company, not for public release) design/drawing/specification requirements. Include a statement from the OEM that the proprietary information will not be released to the government.
- (3) If there is a higher order requirement mandating a particular manufacturer (i.e. NAVSEA drawing or IRPOD), cite the requirement and who approved or required its usage.
- (4) For component repair or replacement parts, explain any compatibility requirements, including a description of the existing equipment and the interface requirements.

(1) Provide both the Urgency and Sole Source information requested above.

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JUSTIFICATION FOR SOLE SOURCE AND/OR URGENT PURCHASE (OVER \$100,000)

5. **MARKET SURVEY.** A market survey is simply finding out which companies can provide what you're looking for, whether by searching for sources over the internet, reviewing product literature, or contacting sources over the phone.
- Describe any market survey conducted. Include companies contacted and the information they provided that confirmed the urgent/sole source requirement
 - If sole source is based on proprietary data, a statement to that effect is all that is required in response to this block.

6. **ADDITIONAL FACTS.** This applies primarily to sole source requirements, but any additional information supporting urgency not previously addressed elsewhere in the document can be included in this section.
- State the cost to the government to develop competitive specifications for the proprietary item. Include estimated labor categories and estimated labor hours spent in reverse engineering and time spent in generating and approving the drawings and/or specifications.
 - If it is impossible for the government to develop competition specifications, state that and indicate why.

7. **FUTURE COMPETITION.** Provide information on the steps you are taking to insure that the next time you need the item, it will not be an urgent or sole source procurement.

8. **INFORMATION TECHNOLOGY (IT) APPROVALS.** This only applies to procurements for IT equipment (i.e. computers, printers, modems, etc.) The contract specialist will assist in identifying the documentation requirements.

9. **DOCUMENTATION OF REVIEW OF SPECIFICATIONS FOR SPARE AND REPAIR PARTS.** If the procurement is for spare or repair parts, include a statement that the specifications have been reviewed and meet the minimum functional requirements of the government.

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JUSTIFICATION FOR SOLE SOURCE AND/OR URGENT PURCHASE (OVER \$100,000)

CERTIFICATIONS

I CERTIFY THAT THE FACTS AND REPRESENTATIONS UNDER MY COGNIZANCE WHICH ARE INCLUDED IN THIS JUSTIFICATION ARE COMPLETE AND ACCURATE.

Technical Cognizance (Requestor)

Name and Title

Code

Phone

Date

Signature

Requirements Cognizance (Supervisor)

Name and Title

Code

Phone

Date

Signature

I CERTIFY THAT THIS JUSTIFICATION IS ACCURATE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ACTIVITY COMPETITION ADVOCATE (May also be delegate for activity Commanding Officer unless the Competition Advocate is also the approval authority under FAR 6.304.)

Name and Title

Code

Phone

Date

Signature

CERTIFY THAT THIS JUSTIFICATION IS ACCURATE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ACTIVITY COMMANDING OFFICER OR DELEGATE (Activity Commanding Officer must sign for requirements estimated at \$1 million or greater.)

Name and Title

Code

Phone

Date

Signature